



One Hundred First Legislature - First Session - 2009
Introducer's Statement of Intent
LB 309

Chairperson: Abbie Cornett
Committee: Revenue
Date of Hearing: February 5, 2009

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

If adopted, LB 309 would provide an incentive for established farmers or small business owners to transition their farm or business to a beginning farmer or a beginning business owner.

The bill would provide for a capital gains tax exemption for a farmer or small business owner who sells his or her farm or business to a beginning farmer or beginning business owner.

For the purposes of this legislation, a beginning farmer is defined as:

- a) A person who has a net worth of less than \$500,000, including any holdings by a spouse or dependent, based on fair market value;
- b) Provide the day-to-day physical labor and management of his or her farming or livestock production operation;
- c) Demonstrate adequate farming or livestock production experience or demonstrate knowledge in the type of farming or livestock production for which he or she seeks assistance;
- d) Demonstrate a profit potential by submitting projective earnings statements and agree that farming or livestock production is to be his or her principal source of income;
- e) Demonstrate a need for assistance.

For the purposes of this legislation, a small business person means an individual, partnership, limited liability company, or corporation headquartered in Nebraska that will employ fewer than ten employees and that will do business in a municipality, county, unincorporated area within a county, or census tract in Nebraska that has

- a) an unemployment rate that exceeds the statewide average unemployment rate;
- b) a per capita income below the statewide average per capita income; or
- c) had a population decrease between the two most recent federal decennial censuses.

Principal Introducer:

Senator Ken Schilz